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## MINUTES

**To: Wood Products Cluster Members**

**Date: August 29, 2002**

**RE: Meeting 08/20/02**

**From: Rhonda Reap-Curiel**

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After introductions and a brief description on cluster economic development, the group began to brainstorm on several ideas to increase the secondary wood product industry.

- 1) See if furniture companies can use gum and other woods (red and white oak) that are presently being sold to pallet companies.
  - need an outlet closer because of freight charges
- 2) Specialty plant – remanufacturing facility for low-end lumber – can’t compete with imports
  - Deck components are being imported
  - Privacy fence components are being imported
  - Can we slow this down or put us on an equal playing field?
- 3) No flooring companies in Louisiana – most wood for this is shipped to Arkansas
- 4) Furniture companies are moving production to Asia – primarily China. Large labor content products are going overseas.
  - People are selling to furniture companies – specialty niche markets – need to look towards “niche” companies, not large producers
- 5) Southwest Trade Adjustment Center (Houston) can help with import problems – marketing, consulting, efficiency, etc. \$25-35,000/ applicant grant. Contact information – 800-344-8872 – Robert Velasquez, director; web address – [www.swtaac.org](http://www.swtaac.org)
- 6) Pool of scrap and seconds and ship to MJB, PBS, TX manufacturers, Arkansas manufacturers. Source of material is here.
- 7) Black spruce from Canada – Trus Joist is looking at new technology to compete against and needs help from LA Tech and LSU for assistance to develop technology and automation – ex: high speed fingering.
- 8) RTA – ready to assemble furniture – not as labor intense to manufacture. RTA is mbf, particleboard, and composite material.
- 9) Home Depot and Lowe’s – problem getting them to stock our products and once you’re in there is a problem dealing with them and getting paid.
- 10) Imports – When we (US) companies ship, wood has to be heat treated and stamped as such. Imports do not; they “dry” on the way over. Houston, Beaumont, Lake Charles – imported fencing, plywood and lumber is coming in marked “green” by labels are questionable.

11) Eucalyptus is being imported – it grows faster – don't have to replant until the 3<sup>rd</sup> year. Grows about 16" in 12 years. German, English and US firms are a large part of the plantation owners in Brazil and are shipping back to the homeland.

12) Wood Pocket Frame Doors – some hardware on it, rest is complete wood – can be out of yellow pine, have to add to something else being produced already because you won't survive on just this one product. Hardware can be shipped in and put on here. E L Johnson Hardware Co. put together in bundles of 60 for pallet shipping. PBS possibly wants to look at moving into this area

13) 2004-2005 new brigade at Fort Polk, when deploy will need to take all equipment with them – there is a potential market for specialized pallets. Problem – Fort Polk has a limit of \$5,000 on credit cards – sell under that limit to get around this. No shortage of people making pallets – shortage of people making moneymaking pallets. Competition with Mississippi, Baton Rouge, etc. Ship to Texas. Can't break into south LA markets yet – new companies are receiving tax credits and purchasing pallets from outside the state – mostly Mississippi – is there a way to make sure that when manufacturers receive tax credit from the state of Louisiana that they are required to purchase products from Louisiana companies?

14) Landscape industry – chips, mulch? Is there a market? – small market already exists.

15) Training – Labor Upgrades – how is the supply? – Natchitoches – aptitude is good, working with technical school; Boise – quality entry level in rural areas has gone down; high skill is not a problem – goal is towards automation – shrink labor pool; Alexandria is not a problem – it is in other areas – most of turnover is done by the company.

Tenure in the job for 18-24 year olds = 14 months nationally

If higher skilled, probably a little longer

Over 30, married and in debt is ideal candidate

Difference in adding for growth because most are not employable – drugs, medical, attitude, etc. The question is how to turn this around. Ex: Lafayette Woodworks hired 4 people to replace 1 – all 4 are now gone for various reasons

Incumbent Worker – your money is used to help train your people – you design what skills you want, have to give them a raise – contact Jay Ellington at 442-6671 for information on this program.

We have a pilot program for pre-employment assessment – the one-stop tests potential candidates and can eliminate some of the problems before the interview process.

15) Shim Manufacturing – having problem finding hardwood scraps to make shims – is it possible to create database of what's available to sell as by-product?

Good idea – have LSU or Tech set up, but they need to understand the manufacturing process.

Database will need to include raw products needed, products produced, by-products created

This is available nationally – Red Book – state by state – 4" thick document, # employees, gross sales, specialty products, etc.

Woodexchange.com – buy and sell lumber

Discussion Board – wooddoctorrx.com

16) Possibly look at if Louisiana raw product is used and product is shipped out of Louisiana port – get credit on Louisiana taxes – legislative issue that can be lobbied for.

17) Rippings – sawdust can be sold to horse farmers – saving costs of getting rid of waste, but making no money on the project; Problem is what do you do with sawdust – compactors and dumpster costs run avg \$40,000 per year. Rippings can't be put into compactors and dumpsters and can't burn anymore.

If less than 1" put into van and ship to someone who does burn it himself. Can sell the landscaping companies and pay them to take it away.

Possible to make fire logs – purchase piece of equipment that mixes chips with dust and wax. Boise has looked at extrusion machines – not enough volume for them – would require 12-15 machines. Wood waste

and pellets are extruded into design you set. Washington plant is getting residual plastic and wood waste out of landfills and making siding – Marathon Siding will be brand name.

18) Next meeting ideas – No Wednesday meetings – 4 PM or 6 PM ok

Set an agenda – one item – update on LSU and LA Tech R&D and products or new markets

Renewal Community – to see if your company is in the zone visit [www.renewallouisiana.com](http://www.renewallouisiana.com). There is also information on the program and IRS forms available.

Study – Power generation of wood waste – would be good utilization of waste or bi-product. Martin sends 2,000-20,000 tons/week of waste to paper mills.

In the past Forums for purchasing agents have been held where vendors to us presented – spin it where we present what we have to sell.

University of Louisiana at Lafayette runs the MEPOL program – federal program to assist manufacturers – on the web [www.mepol.org](http://www.mepol.org)